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ITT Gift To GOP Is Ruled Legal

LOS ANGELES, May 18, (UPI) — A federal judge ruled yesterday that the $100,000 contribution International Telephone and Telegraph Corp. made to attract the Republican National Convention to San Diego was not illegal.

U.S. District Judge Robert J. Kelleher dismissed the suit brought against ITT by California Secretary of State Edmund G. Brown Jr., who charged the contribution violated the Federal Corrupt Practices Act.

The act forbids corporations to make political contributions to federal election campaigns and conventions.

ITT countered that it did not contribute the money to a political campaign, but gave the money to a San Diego civic group to help attract a big convention, a legitimate business expense to promote bookings for three ITT-owned hotels in San Diego.

Lawyers for ITT also argued that Brown was not entitled to sue under the provisions of the Corrupt Practices Act, a criminal law.

Kelleher issued an order dismissing the suit, accepting all grounds urged by the defense attorneys, including the contention that the contribution did not violate the federal law.

The contribution figured prominently in Senate hearings. Democrats urged investigation of the possibility the contribution was part of a deal between ITT and the administration, in return for the Justice Department's settling an antitrust suit against the conglomerate out of court on favorable terms.

In the aftermath, spurred by an argument over rising convention hall costs, the Republicans pulled the convention out of San Diego and switched it to Miami Beach.